



CALPEEK

CALIFORNIA POLITICAL WEEK

P.O. BOX 1468, BEVERLY HILLS, CA 90213 (310)659-0205 FAX(310)657-4340
Dick Rosengarten, Publisher E-Mail calpeek@aol.com

VOL. XXIII
No. 40

OCT. 29, 2001

CALIF. INITIATIVE UPDATE: CALPEEK LOOKS AT 3 MEASURES PUT ON THE BALLOT BY LEGISLATURE.

Editor's note: There are actually 5 legislative measures on the Mar. 5, 2002, ballot, but only 3 will have serious funding to educate voters: ACA 4 (transportation funding); AB 56 (\$200 million bond for improving county voting systems); and AB 1603 (\$2.6 billion bond for parks). Numbers for the initiatives and legislative measures will be announced on Oct. 25th (after Calpeek's deadline), but the numbers will start with Prop. 32. Here's a brief update & analysis...

☒ ACA 4 – This is the constitutional amendment by Assemblyman John Dutra(D) which will ensure that all gasoline sales tax go to transportation projects. The official title is **Transportation Funding: Sales & Use Tax Revenue**. As noted in a previous issue of Calpeek, the support committee backing ACA 4 has hired Burlingame-based Woodward & McDowell to run the campaign. Temporary committee name is *Taxpayers for Traffic Relief*. There is no known/serious opposition as of now, but that might change. Annual sales tax on gasoline amounts to \$1.2 to \$1.5 billion. If ACA 4 is approved, this money would be used for public transit (20%), county road projects (20%) city road projects (20%) and state highway projects (40%)...

☒ AB 1603 – The official title of this \$2.6 billion bond measure is **The Calif. Clean Water, Clean Air, Safe Neighborhoods Parks & Coastal Protection Act of 2002**. Long title with lots of *key political buzz words*. Assemblyman Fred Keeley(D-Santa Cruz) is the author, but the key sponsors were CA's environmental community. What makes this bond interesting from a political point of view is that in 2000 voters approved Props. 12 & 13 (Parks & Clean Water bonds totally more than \$4 billion)...

...Given the Calif. and U.S. economic situation, the big question is whether the timing is right for another bond like this? Sources say there have been at least two private polls: one showed YES at 56%, while a second showed YES at 60%. There is a screening process ongoing right now to select a campaign team...

☒ AB 56 – The official title of this \$200 million bond measure is **The Voting Modernization Act of 2002**. The author is Assemblyman Kevin Shelley(D-S.F.), but the sponsor is CA SOS Bill Jones(R). If approved, this bond measure would give counties a 3-for-1 match with the State for these funds to buy new voting equipment. The equipment can NOT be the old punch card technology. FYI: punch cards will still be used statewide for absentee voting...

...Sources say 12 of Calif.'s 58 counties have already started to upgrade and they will be reimbursed IF AB 56 is approved. Riverside Co. will get about \$8 million because it has already switched to a *touch screen system*. About half the counties currently use punch cards and the other half an optical scan system (uses leaded pencils to mark the ballot). The big question facing Shelley: where will he get the funding for a campaign? Sources think he'll need at least \$200,000 to buy slates and to do a good voter education program. Without solid funding, AB 56 could lose, despite the horrors of Florida. Stay tuned...

CAMPAIGN 2002: WITH VERY LITTLE NAME ID, CAN SIMON DEFEAT GOP RIVALS RIORDAN AND JONES?

Editor's note: There's a joke making the rounds in Calif. GOP circles about former L.A. Mayor Richard Riordan and his 2 rivals for governor. It goes like this: *Bill Simon & Bill Jones should drop out so that our Democrat can run against their Democrat*. The "our Democrat" is a slap shot aimed at Riordan. But Bill Simon isn't smiling. He's been asked by *Team Riordan* to drop out of the race at least twice, but he's in it for the long haul and in the opinion of some GOPers, is well positioned to win the primary. But it will be an uphill battle because at this point he has very little name ID. However, he's smart, has the right conservative message, has a solid campaign team and if need be, he can self-fund. Here's our analysis & commentary...

...Calpeek sources expect Simon to announce very soon. He was due to announce in mid-September, but the terror attack in NY set everything back. In fact, Simon was in NYC Sept. 11th having breakfast with his friend, Mayor

Rudy Giuliani, when the attack began. Simon worked for Giuliani in the U.S. DOJ and it's expected that Giuliani will travel to Calif. to campaign for Simon...

...Unlike the more moderate Riordan, Simon is a traditional conservative – same as Jones. Simon is opposed to abortions; feels most gun laws are unenforceable; favors targeted vouchers (to poor performing inner-city school kids); and feels the market should determine what happens with regard to power/electricity. That's a solid conservative message. If there's a key point which Simon wants to hammer home it's that Calif. needs \$200 billion in infrastructure improvements over the next 10 years and with that kind of money, there's no way the State can either borrow or tax. Instead, Simon is looking toward a series of private/public partnership pacts to handle the infrastructure problems...

...Back to politics. For the time being, Simon is content to let Jones pound away at Riordan – especially the former mayor's heavy contributions to Demos. Jones did exactly that once again on Oct. 23rd at the Sacramento Press Club. Privately, most Simon backers think Riordan is out of the mainstream in Calif. GOP politics. But instead of bashing Riordan, Simon has directed his almost daily fire at Davis. Simon's latest press release: *Despite Photo-Op Politics, Davis Has Increased Deficit by Over \$300 Million*. These statements are making some ink, but not much...

...But sooner or later Simon will have to spell out his differences with his friend. Yes, Simon & Riordan are friends and have known each other a long time. In fact it was Riordan who much earlier this year urged Simon to run for governor. However, relations have been strained by Riordan's requests that Simon drop out of the governor's race...

...In terms of catching Riordan, Simon is probably ahead in organizing. His campaign claims to have chairs in all 58 Calif. counties. He's in the process of collecting some 10,000 signatures in lieu of a filing fee. As for fundraising, has raised \$3.7 million vs. \$2.65 for Riordan. And sources say Simon will have the funding to raise his name ID and communicate a message. And if need be, he'll dip into his own pocket. Thus far he's loaned himself \$300,000 and has given an outright contribution of \$300,000. Gene Raper is Simon's finance director, while Brenda St. Hillaire and Cathy Beck are his two key fundraisers...

...The rest of the team includes Sal Russo as lead consultant; Jeff Flint as communications director; Bob Taylor as press secretary; Jake Menges is the cmp. director (he's from Giuliani's office); Public Opinion Strategies handles polling; and John Herrington, former CRP chair, is Simon's Calif. cmp. chair. Unlike Riordan's chair, Rick Hernandez, Her-

ington's been around and knows how to crack the whip – if necessary. Stay tuned...

ENERGY & POLITICS: REDOING THE ENERGY PACTS.

Editor's note: As some editorials have noted, it's good news for utility consumers that Gov. Gray Davis(D) has decided to renegotiate some of the high priced, long term energy contracts that the Dept. of Water Resources entered into at a time when the power producers had Calif. in a strangle hold. Here's our brief update & analysis...

...While Davis' announcement is good news for consumers, there is some debate as to whether some of the power generators will be willing to renegotiate with the State. There are some 56 contracts in all – some running 20 years. These contracts represent about 30% of the State's daily energy needs. At the time the deals were signed, power on the spot market was running \$450 a megawatt hour. Today the average price is \$30 a megawatt hour. So it's no wonder that Davis is under pressure to renegotiate. Pressure is coming from the PUC, consumer groups and from the U.S. Justice Foundation in Escondido...

...Will some of these power generators sit down with David Freeman from the CA Power Authority – the guy who helped to put these pacts together in the early spring??? If they don't, some suggest the State can void the contracts. Third parties probably can't sue because of explicit procedures to challenge government contracts...

...According to Calpeek sources, there are two problems with these long term contracts: 1) members of the State negotiating team had conflicts of interest (as has been noted numerous times); 2) the contracts may contain a number of illegal clauses that the State cannot agree to legally. FYI: one of the illegal clauses may be a provision requiring that the power generators be paid off before refunds are made to the State's general fund...

...The CA Supreme Court has made clear that a government contract entered into illegally is void. And where a government contract is illegally entered into, the effect of this is that the government entity (DWR) keeps the goods or services and the vendor (power generators) has to return all funds paid per the contract. If this legal info is on the money, then Gov. Davis may indeed have an excellent bargaining chip...

...But the political bottomline is this: Had the Davis Admin. failed to enter these long term energy contracts, the lights would have been turned off because PG&E, SCE and SDG&E were out of money and couldn't buy power. Stay tuned...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Oct. 29	Calif. candidate declaration of intent for 2002.
Nov. 5-6	So. Coast AQMD "Clear Air Technologies 2001" Internat'l conf. & expo, Disneyland Hotel, Anaheim.
Nov. 6	S.F. Municipal Election.
Nov. 9-12	IAPC 34 th World Conference, Malta.
Nov. 15	Calif.'s Future in the Balance seminar sponsored by Pat Brown Inst., AT&T – Wilshire Grand Hotel, L.A.
Dec. 4-8	Nat'l League of Cities convention, Atlanta.
Dec. 11	Special election – L.A. City 2 nd Council Dist.

CAMPAIGN 2002: CALIF. LEGISLATIVE CONTESTS.

Editor's note: This week Calpeek begins its coverage of Calif. Legislative contests – primary battles. We do not have a complete list of candidates and won't until sometime after *Declarations of Intent* are filed on Nov. 7th. It would be helpful if consultants would fax Calpeek a list of their legislative clients. In this first report Calpeek also has included some campaign funding info (from the SOS's website). Here is our first update...

...Reapportionment is over and assuming the lines stay as is (in other words, the MALDEF lawsuit to overturn the State Senate and U.S. House lines is dismissed), there should be some very hot primaries. This is especially true on the Republican side where a number of incumbent Assemblymembers are facing off against each other to win OPEN Calif. State Senate seats. And there are 2 very hot and potentially nasty GOP Assembly primaries just getting started...

...State Senate first. In the battle to replace termed out State Sen. Maurice Johannessen(R-Chico), Assemblyman Dick Dickerson(Redding) will face Assemblyman Sam Aanestad(Grass Valley) in what could turn out to be a bloody 4th SD primary. Neither are termed out, but Dickerson was one of 4 GOP Assemblymembers who broke ranks with the GOP Leadership to vote in favor of the 2001-02 budget. FYI: the latest campaign report for the period ending 9/30 shows Dickerson with \$95,968 cash on hand vs. \$15,012 coh for Aanestad...

...The other big State Senate GOP primary battle will be in San Diego/Riverside Counties, with Assemblywoman Charlene Zettel(Poway) facing off against Dennis Hollingsworth(Riverside) for the 36th SD seat. This is a classic moderate (Zettel) vs. conservative (Hollingsworth) battle. McNally Temple will handle Zettel, while Johnson Clark will run the Hollingsworth campaign. Again, neither Zettel nor Hollingsworth are termed out. FYI: Hollingsworth has \$75,794 coh vs. Zettel with \$65,012 coh...

...In the Assembly, Anthony Pescetti(R) hasn't decided whether to seek another term. Pescetti was another lawmaker who crossed party lines to vote for the new budget. Lodi Mayor Alan Nakanishi, MD, issued a statement saying he was considering a run. Nakanishi narrowly lost to Mike Machado(D) in last year's 5th SD contest. Johnson Clark Assoc. represent Nakanishi, while Jim Nygren is Pescetti's consultant...

...The other hot Assembly primary is in the 36th AD. Incumbent George Runner(R-Antelope Valley) is termed out, but his wife, Sharon, has decided to seek this seat. But she'll have to battle with Assemblyman Phil Wyman(R), who has moved into the 36th to run. He's already being hit as a carpetbagger and this primary battle promises to be nasty. Gilliard Blanning will handle Runner's campaign, while Johnson Clark will run Wyman's campaign. FYI: Wyman reports \$108,788 coh vs. Runner with \$101,950 coh. Stay tuned...

CAMPAIGN 2002: UPDATE ON U.S. HOUSE CONTESTS.

Editor's note: Here is another update on some key U.S. House primary races for next year...

☒ The Condit Watch/18th CD – Embattled U.S. Rep. Gary Condit(D-Ceres) now has two Demo rivals in the Mar. 5th primary: Tom Ciccarelli, exec. director of the Inter-Faith Ministries; and Demo Assemblyman Dennis Cardoza. Ciccarelli is a past president of the Stanislaus Co. Farm Bureau and the Modesto CofC. While insiders think Cardoza is a more serious threat to Condit, sources say Ciccarelli has deep pockets and can't be dismissed....

...At his Oct. 23rd 3-city announcement tour (Stockton, Modesto & Merced), Cardoza was flanked by Assembly Speaker Bob Hertzberg and four other Demo colleagues from the assembly. In addition, Cardoza has been endorsed by the Stanislaus Co. Demo Party Chair Sandy Lucas; San Joaquin Co. Demo Party Chair Marcelino Martinez; and Merced Co. Demo Party Chair Robert Haden. All three have the same feeling about Condit: they hope he will withdraw from the primary and retire. There are two GOPers in the contest: State Sen. Dick Montieth and Modesto Councilman Bill Conrad. FYI: Condit's son, Chad, is now functioning as daily cmp. mgr. for his father's campaign...

☒ 46th CD – This is the new CD number of U.S. Rep. Dana Rohrabacher(R-Orange Co.). His old CD was 45. The new 46th CD includes Long Beach and Palos Verdes Peninsula. Long Beach was the heart of U.S. Rep. Steve Horn's old 38th CD, while PVP was part of the old 36th CD which was represented by Steve Kuykendall, who was

CALPEEK – P.O. BOX 1468, BEVERLY HILLS, CA 90213

defeated for reelection in 2000 by Jane Harman(D). Now Kuykendall is thinking of challenging Rohrabacher in the Mar. 5th primary. Most of the new 46th CD is in Orange Co., which should be a big plus for Rohrabacher, who will be seeking a 7th term in November. Kuykendall is a GOP moderate, while Rohrabacher is a conservative. FYI: Demo Gerrie Schipski of Long Beach plans to run once again...

CALPEEK'S CONSULTANTS DIRECTORY ON SALE

Calpeek's 2001-02 *Directory of Campaign Consultants* is off the press and ready for sale. There are about 300 listings in the Directory. Cost is \$30. Checks only. No credit cards and no invoicing. The Directory will only be sold via subscription to current Calpeek subscribers. Send payment with your name, address, etc. (please type or print clearly) to Calif. Political Week or Calpeek, P.O. Box 1468, Beverly Hills, CA 90213. FYI: in most cases we're mailing the Directory in a White 10x13 envelope, with our return address clearly marked on the upper left corner...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **LaBonge Wins L.A. Council Special** – What many insiders expected to be a very close race for the open 4th Council District in L.A. turned into a landslide as Tom LaBonge, a former aide to the late John Ferraro, mashed former L.A. Community College Board member Beth Garfield by a 62% vs. 38% margin. The Oct. 23rd special was held to replace Ferraro, who died earlier this year. This will probably go down in the record books as being the most expensive council races in L.A. history. Garfield pumped in \$700,000 of her own. The combined total from both will be more than \$2.05 million. A nice win for lead consultant John Shallman, campaign mgr. Julie Buckner, field ops guru Susan Burnside and the fundraising team of Brian Rix & Pat Bradford. FYI: another big loss for the L.A. Co. Federation of Labor and big wins for LAPPL, L.A. City Firefighters and for former L.A. Mayor Richard Riordan, who did a tv spot for LaBonge...

■ **Term Limit Initiative Qualifies** – An initiative which would allow CA Legislators to stay in office past the current term limits has qualified for the Mar. 5, 2002 ballot...

■ **No on Measure "I" Update** – Measure "I" on the Nov. 6th ballot in S.F. would establish a municipal utility district in San Francisco (and Brisbane). Three months ago this local initiative was considered a *slam dunk* for passage. But the timing and ultimate cost may be working against "I"

In recent weeks, U.S. Sen. Dianne Feinstein(D), the S.F. Chronicle, the S.F. POA, the S.F. Firefighters #798, the CWA, IBEW and the NWPC have all come out **NO** on I...

■ **Permanent Absentee Voting** – Beginning January 1st, all registered voters in Calif. who want to *vote by mail* on a permanent basis can do so, thanks to Assemblyman Kevin Shelley's AB 1520. In the past, only those voters who were disabled or had a long term illness were eligible to have permanent AV status...

■ **More Poll Workers** – For some time, state election officials have had to deal with a major shortage of poll workers on election day. Gov. Davis has signed AB 492 by Assemblywoman Jenny Oropeza(D-Long Beach) which will allow state employees to serve as poll workers, without a loss of regular state pay...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● The campaign finance & election law firm of Smith Kaufman LLP has moved to 725 S. Figueroa St., Ste. 3200, L.A. 90017. New phone (213)452-6565. The firms has also added two new attorneys: Betty Ann Downing and Sarah Peters Gorman...

● L.A.-based Cerrell Associates, Inc., has promoted Matt Gallagher to Sr. AE; Mary Elizabeth Michaels has been promoted to AE; Shannon Johnson has returned to Cerrell Associates as an AE; and Yazmin Guerrero has joined the firm as an asst. AE...

● Patricia Rae Evans has been named executive director and CEO of the CA Physical Therapy Assn...

CALPEEK'S MARKETPLACE NETWORK

● **Bay Area Political Consulting/Govt. Relations firm** seeks Senior Acct. Exec. who loves to get the job done. Communications/media experience, strong writing, production skills essential. Organizing/campaign background a plus. Competitive salary, benefits. Fax (510)420-0876.

CALPEEK's Marketplace Network is a listing of employer and employee availabilities for those engaged in campaign consulting, public affairs, public relations, government relations and legislative advocacy. The cost for each listing is \$25 for up to 40 words. Send ad copy with payment (*no invoicing*) to CALPEEK, Attn: Marketplace Network, P.O. Box 1468, Beverly Hills, CA 90213. For info ☎(310)659-0205...